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Report Highlights:

Center floats tender for wheat imports, *GEAC for SC order modification*, *Center bans GM crop trials on farmers' lands*, *Large-scale trials of domestic Bt Cotton stalled*, *Government constitutes expert committee on bird flu*, *Experts told to find bird flu source*, *\$101 million released for genetic upgrade of cattle and buffaloes*, *Seven modern markets to help farmers*, *Center set to announce national policy for farmers this session*, *Government considering MAP and TSP for fertilizer subsidy*.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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CENTER FLOATS TENDER FOR WHEAT IMPORTS

The State Trading Corporation (STC) has floated a wheat import tender for an unspecified quantity between October and December, on behalf of the government to build buffer stocks. The tender will close on August 29, 2007. According to a government official, the STC will be taking a decision on the eventual quantity to be imported by September 3, 2007 based on prices quoted by the global suppliers. Indian wheat purchases are expected to increase wheat prices globally due to unfavorable weather conditions in major wheat producing countries including Australia, Europe, Russia and Ukraine. The STC had contracted for 511,000 MT of wheat in July at an average price of \$325.59 per MT. (Source: The Financial Express, 08/24/07; The HT-Mint, 08/24/07)

Post Comment: Tender document can be accessed at:
<http://stc.gov.in/Tenders/tendwheat03.pdf>

GEAC FOR SC ORDER MODIFICATION

The Genetic Engineering Approval Committee (GEAC) has decided to file an application for modification of the Supreme Court (SC) order of May 8, 2007, after having approved field trials for the first food crop. The SC order had stipulated that an isolation distance of 200 meters should be maintained during all biotech crop trials and the organization undertaking the field trials is required to submit a validated event-specific protocol to detect at least 0.01 percent of genetic contamination and confirm that there has been no contamination. In a recent GEAC committee meeting, the members were of the view that a uniform isolation distance is not logical as the nature of pollen flow and level of contamination depends upon the biology of the crop and the host environment in which it is being cultivated. (Source: The Financial Express, 08/18/07)

CENTER BANS GM CROP TRIALS ON FARMERS' LANDS

The central government has banned multi-location research trials (MLRTs) of new biotech crops in farmers' fields. MLRTs have to be conducted prior to large-scale trials for commercial release. Institutions or companies will now be required to conduct MLRTs either in their own premises, research farms, long-lease lands or on land belonging to the State Agricultural Universities and the Indian council of Agricultural Research (ICAR) institutes. Companies are concerned that it will be difficult to find land for large-scale trials, as they need to be conducted in different agro-climatic zones. (Source: The Business Line, 08/18/07)

LARGE-SCALE TRIALS OF DOMESTIC BT COTTON STALLED

The Genetic Engineering Approval Committee (GEAC) has denied permission to the Central Institute of Cotton Research (CICR) for conducting large-scale trials of five Bt hybrids/varieties on the basis of the Supreme Court's May 8 order that insisted on

compliance with a 0.01 percent genetic contamination level. CICR is a Nagpur based institute affiliated with the Indian Council of Agricultural Research (ICAR) and had sought permission for undertaking large-scale trials and seed production of four hybrids one variety of cotton, in which cry1Ac gene was incorporated. These indigenous hybrids of Bt cotton were expected to provide cheaper planting material to farmers after approval for commercial cultivation versus the existing hybrids.

CICR's cotton hybrids have undergone confined strip trails during 2005 and 2006 in each of the four agro-climatic zones of the country. According to GEAC, the hybrids and varieties could not be cleared, as the CICR is yet to conduct detailed biosafety studies and to submit a test protocol for detecting contamination of non-biotech cotton by the DNA of its transgenic hybrids and varieties at levels as low as 0.01 percent. The government has filed applications requesting an amendment of the stringent test protocol and the matter is scheduled for hearing next month. (Source: The Business Line, 08/22/07)

GOVERNMENT CONSTITUTES EXPERT COMMITTEE ON BIRD FLU

The government has constituted an Expert Committee involving the state governments, technical experts and representatives from the poultry industry to examine the strategy to be adopted by the industry and trade after an avian influenza outbreak in the country. The committee has been set up at the request of the All India Poultry Breeders Association. The government adopted various remedial measures for the poultry industry after the recent bird flu outbreak, which included compensation for the affected farmers, a package for the poultry industry after the outbreaks and timely control and containment procedures. (Source: The Press Information Bureau, 08/20/07)

EXPERTS TOLD TO FIND BIRD FLU SOURCE

A team of experts, comprising members from the High Security Animal Disease Laboratory (HSADL), Bhopal and the National Institute of Virology (NIV), Pune, has been told to find the source of the avian influenza (H5N1) outbreak in Manipur. The Department of Animal Husbandry, Dairying and Fisheries (DADF) has set up an expert committee under the chairmanship of the Animal Husbandry Commissioner for conducting intensive post-outbreak surveillance and epidemiological studies. Additionally, the committee may also involve the forest department experts, if necessary. (The Indian Express, 08/21/07)

\$101 MILLION RELEASED FOR GENETIC UPGRADE OF CATTLE AND BUFFALOES

The Central government will be releasing a fund of \$101 million to the states through March 2007 under the National Project for Cattle and Buffalo Breeding (NPCBB), aimed at genetic improvement of dairy cattle and buffaloes. Phase I of NPCBB commenced in the year 2000 and phase II was initiated in December 2006 for a further five years with an allocation of \$170 million. The areas of major emphasis during phase II are on improving the availability of quality bulls for breeding, quality assurance programs for all aspects of artificial insemination, development and conservation of indigenous bovine breeds. (Source: The Press Information Bureau, 08/20/07)

SEVEN MODERN MARKETS TO HELP FARMERS

India will soon have seven modern terminal markets (or wholesale produce markets) that will help farmers realize maximum returns for their produce, remove middlemen and ensure lower prices for end consumer, a top government official said.

"We will soon have terminal markets in Chandigarh, Nasik, Nagpur, Mumbai and Bhopal and two more cities. Chandigarh has already called for expression of interest," said P.K. Mishra, Secretary in Department of Agriculture and Cooperation. While addressing the Workshop on Modern Terminal Markets, he said that the present marketing system of agriculture produce in the country, particularly for fruits and vegetable, has several systemic weaknesses.

"Producers have often failed to realize the expenses incurred on transportation of fruits and vegetables to markets, let alone the cost of production and capital investment, during the period of glut," he said. Mishra noted that the wholesale terminal market is being viewed as a unique one-stop solution to various ills plaguing agriculture marketing in the country. He stressed the need for this system since 82 percent of farmers in the country are small and marginal. He also urged states to be more proactive in setting up such markets. (Source: Business Standard, 08/23/07)

CENTER SET TO ANNOUNCE NATIONAL POLICY FOR FARMERS THIS SESSION

After the launch of a National Food Security Mission and additional central assistance for agriculture, the Government is set to announce the much awaited National Policy for Farmers (NPF) – 2007 in the current session of Parliament. The Policy includes a proposal to set up a Cabinet Committee on Food Security (CCFS), which will deal with subjects related to developing and implementing a socially and economically sustainable food security program and the agriculture sector. The National Commission of Farmers (NCF) has suggested that the policy will contain features relating to land, water, power, bio-diversity, and climate resources essential for raising productivity, profitability and stability of the agricultural sector. Government sources say that an inter-ministerial committee will be constituted to look into programs for effective performance of the NPF. Once this policy is announced, it will replace the existing National Agricultural Policy-2000. (Source: Indian Express, 08/24/07)

GOVERNMENT CONSIDERING MAP AND TSP FOR FERTILIZER SUBSIDY

The government is considering including Mono-Ammonium Phosphate (MAP) and Triple Super Phosphate (TSP) in the list of fertilizers eligible for subsidies. This is being considered to broaden the basket of fertilizers in the subsidy regime. Moreover, inclusion of MAP and TSP fertilizers in the Concession Scheme as alternatives to DAP will help in reducing the use of DAP. The Minister of State for Chemicals, Fertilizers and Parliamentary Affairs Mr. B.K. Handique, gave this information in a written reply in the Lok Sabha on August 23, 2007. (Source: Press Information Bureau, 08/23/07)

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